

**HOUSING & COMMUNITY DEVELOPMENT COMMITTEE MEETING**  
**November 8, 2012**  
**5th Floor Conference Room**  
**MINUTES**

**Committee Members Present:** Jan Davis, Gordon Smith, Chris Pelly

**Welcome and Introductions**

Councilman Jan Davis opened the meeting at 8:30 a.m.

**1. Approval of Minutes**

The meeting minutes from October 11, 2012 were approved.

**2. Unfinished Business**

- a) Emergency Solutions Grant – Heather Dillashaw gave an update on the progress of the Emergency Solutions Grant funds. As reported to and approved by Council, the State awarded Asheville-Buncombe Continuum of Care \$219,358 in Emergency Solution Grant Funds. The Homeless Initiative Advisory Committee recommended that \$4,914 of these additional funds be awarded to the Salvation Army for emergency services. They also recommended that \$50,000 be retained by the City of Asheville for two purposes: \$15,000 to support the cost of a part-time staff person to assist with data collection and analysis, and \$35,000 toward the CHIN license for HMIS services for next year. Councilman Smith moved to accept the Homeless Initiative Advisory Committee's recommendations for the use and allocation of additional ESG funds. Councilman Pelly seconded the motion. Recommendations passed unanimously. Councilman Davis asked Ms. Dillashaw about the response to violence at the A-Hope Shelter. Ms. Dillashaw updated the council on work she is doing with the Asheville Police Department and A-Hope to find solutions to the violence and incident response. The HCD committee agreed that further discussion was needed, including the Public Safety Committee.

**3. Updates**

- a) Housing Trust Fund Financial Report - The Trust fund has a current cash balance of just over \$1.1 million. \$352,600 of that amount is unallocated and available to lend. There are 3 undisbursed loans totaling \$755,335. CD staff anticipates that all funds will be disbursed in the current fiscal year. In addition to the \$352,600 that is currently available, regularly scheduled payments totaling \$80,700 should be received prior to fiscal year-end.
- b) Housing Trust Fund Program Update - HTF applications are due to the City by on Friday, November 16<sup>th</sup>. Staff will underwrite received proposals and present to the HCD Committee at the December 13<sup>th</sup> meeting for funding consideration.
- c) East of the Riverway Update – The RFP for the Tiger II Transportation Network Plan has been sent out. The final cost negotiations for the Greenways project is moving forward. Tara Irby gave an update on the NEMAC scenario planning. The next community meeting will be held on Thursday, November 29th at the Grant Center. Community stakeholders including mission, AB Tech and community leaders are expected to attend.
- d) Affordable Housing Advisory Committee – Lindsey Simerly gave an update on the committee's policy priorities. A final list will be presented at the next HCD meeting. Lindsey discussed the need for more input from private developers. Judy Daniels suggested asking the Buncombe County planning staff to make a recommendation for who should be included in the discussion.

#### **4. New Business –**

- a) Request for Loan Payoff: 64 Pine Grove – CD Staff received a request from Mr. Wallace Foster and Ms. Natasha Foster to settle a CDBG rehab loan for less than the amount owed. Mr. Foster's mother was the original borrower on the Note, and she passed away in December of last year. Mr. Foster has been appointed the Administrator of the Estate and has kept payments current over the last year while considering options for disposing of the property. The amount owed to the City is \$36,339, of which \$27,670 is deferred. Total liens on the property, including the City loan, total \$59,150. The property has a tax assessed value of \$95,900. An appraisal completed for a local lender in August of this year indicates a market value of \$89,000. Mr. Foster wishes to sell the property to his niece from Raleigh at a price of \$60,000 which is well below market. City Staff has met with Mr. Foster to discuss possible options. Mr. Foster has requested that City consider a cash offer of \$15,000 in exchange for the release of the lien.

After discussing options and hearing from Mr. Foster, Councilman Smith motioned to counter Mr. Foster's offer with a repayment of 75% of the loan. Councilman Pelly seconded the motion and it passed unanimously. The recommendation will move to a City Council vote. CD staff will also explore other repayment options with Mr. Foster.

- b) Maximum Rent Standards- Maximum rents for the HTF were last reviewed by Staff in April 2010 as part of our comprehensive policy update. Current rental market data and recent feedback from developers suggest that adjustments are needed at this time. A possible change that could prove beneficial is to link the HTF standards to other indices that are adjusted annually. CD Staff evaluated several options, including the HOME low and high rent limits, Section 8 Voucher Standards and the Real Market Apartment data that is released annually in December. Staff recommends that the low HOME rent guidelines be adopted as the standard for special terms financing, and we recommend that the Section 8 Payment Standard be adopted for the maximum rent to families between 60-80% of the Area Median Income. Staff also recommends that the maximum HTF rent standards at both income levels be inclusive of utility costs to ensure the affordability of the units to the tenants. Councilman Smith moved to approve CD Staff recommendations, Councilman Pelly seconded the motion and it passed unanimously.
- c) CDBG Priorities 2013-2014 – Jeff Staudinger gave a brief update on the upcoming Application process and priorities highlighted in the Community Development 5 Year Plan. After brief discussion, the HCD Committee agreed to discuss the priorities further at the next meeting.
- d) Outside Agency Funding 13-14 – Jeff Staudinger gave a brief update on the application process for Outside Agency Funding and discussed the past year's allocations. Staff recommends that the HCD Committee establish and approve eligibility and funding standards, and establish a timeline for applications. Councilman Smith stated that he will be looking for collaborative efforts in the community, especially in youth programs. After a brief discussion Councilman Davis agreed to discuss priorities with Vice Mayor Manheimer, Chair of the City Council Finance Committee. The HCD Committee will discuss moving forward at the next meeting.

#### **5. Next Meeting – Thursday, December 13, 2012**